

AO 91 (Rev. 11/82)

## CRIMINAL COMPLAINT

COPY

UNITED STATES DISTRICT COURT		CENTRAL DISTRICT OF CALIFORNIA	
UNITED STATES OF AMERICA v. DEFENDANT Rami Najm ASAD-GHANEM, aka Rami GHANEM		DOCKET NO <b>M 15 02296</b>	
		MAGISTRATE'S CASE NO.	
Complaint for violation of Title 18, United States Code, Sections 554, 1956 (a)(2)(A), and Title 22, United States Code, Section 2778			
NAME OF MAGISTRATE JUDGE HONORABLE GAIL J. STANDISH		UNITED STATES MAGISTRATE JUDGE	LOCATION Los Angeles, California
DATE OF OFFENSE August 2015	PLACE OF OFFENSE Los Angeles County	ADDRESS OF ACCUSED (IF KNOWN)	
COMPLAINANT'S STATEMENT OF FACTS CONSTITUTING THE OFFENSE OR VIOLATION 18 U.S.C. §§ 554, 1956(a)(2)(A); 22 U.S.C. § 2778 Defendant violated Title 18 U.S.C. § 554 (Smuggling Goods out of the United States), Title 18 U.S.C. § 1956(a)(2)(A) (Money Laundering), and Title 22 U.S.C. § 2778 (Arms Export Control Act). See Attached Affidavit.			
<div style="display: flex; justify-content: space-between;"> <div style="writing-mode: vertical-rl; transform: rotate(180deg);"> <b>LODGED</b> 2015 NOV 25 AM 11:03 CLERK U.S. DISTRICT COURT CENTRAL DISTRICT OF CALIF. LOS ANGELES BY: </div> <div style="border: 2px solid black; padding: 5px; transform: rotate(-5deg);"> <b>FILED</b> CLERK, U.S. DISTRICT COURT NOV 25 2015 CENTRAL DISTRICT OF CALIFORNIA BY </div> </div>			
BASIS OF COMPLAINANT'S CHARGE AGAINST THE ACCUSED: (See attached affidavit which is incorporated as part of this Complaint)			
MATERIAL WITNESSES IN RELATION TO THIS CHARGE: N/A			
Being duly sworn, I declare that the foregoing is true and correct to the best of my knowledge.		SIGNATURE OF COMPLAINANT <b>Matthew L. Peterson</b> <i>MS</i>	
		OFFICIAL TITLE Special Agent – HSI	
Sworn to before me and subscribed in my presence,			
SIGNATURE OF MAGISTRATE JUDGE <sup>(1)</sup> <i>[Signature]</i>		DATE November 25, 2015	

<sup>(1)</sup> See Federal Rules of Criminal Procedure 3 and 54

A F F I D A V I T

I, Matthew L. Peterson, having been duly sworn, do hereby declare and state as follows:

I.

INTRODUCTION

1. I am a Special Agent ("SA") with the United States Department of Homeland Security ("DHS"), United States Immigration and Customs Enforcement ("ICE"), Homeland Security Investigations ("HSI"), Office of the Special Agent in Charge, Los Angeles, California. I have been employed in this capacity since December 2010 and am assigned to the Counter-Proliferation Investigations Center, which is responsible for investigating criminal violations of United States export laws related to military items, controlled "dual use" commodities, and sanctioned or embargoed countries. Prior to my position as an HSI SA, I was employed as an Intelligence Analyst with the Federal Government for six years. I have a B.A. in Political Science, an M.S. in Criminal Justice, and I am a graduate of the Federal Law Enforcement Training Center in Glynco, Georgia, where I underwent approximately 23 weeks of formal training in conducting criminal investigations. I have received formal and specialized training in federal laws and regulations relating to weapons counter-proliferation and export control violations, including the Arms Export Control Act ("AECA"), Title 22, United

States Code, Section 2778, and the International Traffic in Arms Regulations ("ITAR"), Title 22, Code of Federal Regulations, Parts 120-130. Furthermore, I have conducted and/or participated in criminal investigations involving these laws and regulations.

2. The facts set forth in this affidavit are based upon (1) my personal involvement in this investigation; (2) my review of reports and other documents related to this investigation; (3) my training and experience; and (4) information obtained from other law enforcement officers and witnesses. I make this affidavit in support of a criminal complaint and arrest warrant for Rami Najm ASAD-GHANEM, aka Rami GHANEM ("GHANEM"), for violations of AECA and the ITAR; Title 18, United States Code, Section 554 (Smuggling Goods out of the United States); and Title 18 U.S.C. § 1956(a)(2)(A) (Money Laundering). As set forth herein, there is probable cause to believe that GHANEM purchased export-controlled defense articles and components knowing the same to be intended for exportation contrary to the laws of the United States, and transmitted funds from Jordan to the United States to promote the unlawful activity.

3. This affidavit is intended to show that there is sufficient probable cause for the requested complaint and arrest warrant and does not purport to set forth all of my knowledge of, or the government's investigation into, the matters

described herein. I have set forth only those facts and circumstances that I believe are necessary to establish probable cause for the issuance of the requested complaint and arrest warrant. Unless specifically indicated otherwise, all communications and statements described in this affidavit are related in substance and in part only and some contain errors in the original text, for example in e-mail communications. Further, all dates noted in this affidavit are on or about the date listed.

## II.

### LEGAL BACKGROUND

#### A. AECA and ITAR: Regulations on the Export of Munitions

4. AECA regulates the export from the United States of defense articles that are covered by the United States Munitions List (hereafter the "USML"). The implementing regulations for the AECA are the ITAR.

5. The USML is included in the ITAR at 22 C.F.R. § 121.1. Under the AECA, the President of the United States is authorized to designate those items considered to be "defense articles" covered by the USML. Section 120.1 of the ITAR describes the President's delegation of this authority to the Secretary of State by Executive Order 11958, as amended. The Directorate of Defense Trade Controls ("DDTC"), an agency within the Department of State, is charged with controlling the export of defense

articles and defense services covered by the USML. Pursuant to § 121.1 of the ITAR, USML is broken down into categories. The categories applicable to this case include Category I (Firearms, Close Assault Weapons and Combat Shotguns), which generally restricts firearms and their "[c]omponents, parts, accessories and attachments;" Category III (Ammunition); and Category VII (Optical and Guidance and Control Equipment).

6. Pursuant to § 123.1(a) of the ITAR, "[a]ny person who intends to export or to import temporarily a defense article must obtain the approval of the Directorate of Defense Trade Controls prior to the export or temporary import, unless the export or temporary import qualifies for an exemption under the provisions of this subchapter."<sup>1</sup>

7. Section 127.1(a)(1) of the ITAR provides:

Without first obtaining the required license or other written approval from the Directorate of Defense Trade Controls, it is unlawful:

(1) To export or attempt to export from the United States any defense article or technical data or to furnish or attempt to furnish any defense service for which a license or written approval is required by this subchapter;

(2) To reexport or retransfer or attempt to reexport or retransfer any defense article, technical data, or defense service from one foreign end-user, end-use, or destination to

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<sup>1</sup> Although certain provisions of the ITAR were amended effective October 25, 2013, those provisions expand the scope of certain prohibitions but leave the relevant language at issue here in place. 78 Fed. Reg. 52680 (Aug. 26, 2013).

another foreign end-user, end-use, or destination for which a license or written approval is required by this subchapter, including, as specified in § 126.16(h) and § 126.17(h) of this subchapter, any defense article, technical data, or defense service that was exported from the United States without a license pursuant to any exemption under this subchapter;

. . .

(4) To conspire to export, import, reexport, retransfer, furnish or cause to be exported, imported, reexported, retransferred or furnished, any defense article, technical data, or defense service for which a license or written approval is required by this subchapter.

8. Registration with the DDTC as a broker is a precondition for the issuance of any license or other approval for export, although it does not in and of itself confer any export rights or privileges. The AECA addresses brokering activities, providing at 22 U.S.C. § 2778 (b)(1)(A)(ii)(I):

As prescribed in regulations issued under this section, every person (other than an officer or employee of the United States Government acting in official capacity) who engages in the business of brokering activities with respect to the manufacture, export, import, or transfer of any defense article or defense service designated by the President under subsection (a)(1) of this section, or in the business of brokering activities with respect to the manufacture, export, import, or transfer of any foreign defense article or defense service (as defined in subclause (IV)), shall register with the United States Government agency charged with the administration of this section, and shall pay a registration fee which shall be prescribed by such regulations.

. . .

(II) Such brokering activities shall include the financing, transportation, freight forwarding, or taking of any other action that facilitates the

manufacture, export, or import of a defense article or defense service.

9. The brokering provision is further codified at § 129.3(a) of the ITAR, which provides that the brokering provision applies to U.S. persons residing abroad:

Any U.S. person, wherever located, and any foreign person located in the United States or otherwise subject to the jurisdiction of the United States (notwithstanding § 120.1(c)), who engages in the business of brokering activities (as defined in this part) with respect to the manufacture, export, import, or transfer of any defense article or defense service subject to the controls of this subchapter (see part 121) or any "foreign defense article or defense service" (as defined in § 129.2) is required to register with the Directorate of Defense Trade Controls.

**B. Laundering of Monetary Instruments**

10. Title 18 U.S.C. § 1956(a)(2)(A) (Money Laundering) provides:

(a)(2) Whoever transports, transmits, or transfers, or attempts to transport, transmit, or transfer a monetary instrument or funds from a place in the United States to or through a place outside the United States or to a place in the United States from or through a place outside the United States—

(A) with the intent to promote the carrying on of specified unlawful activity;

. . .

(7) the term "specified unlawful activity" means—

. . .  
(v) smuggling or export control violations involving—

(I) an item controlled on the United States Munitions List established under section 38 of the

Arms Export Control Act (22 U.S.C.  
2778); or

. . .

(D) an offense under... section  
554 (relating to smuggling goods  
from the United States),...  
(relating to violations) of the  
Export Administration Act of  
1979,...

**D. Outbound Smuggling**

11. Title 18, United States Code, Section 554 (Smuggling  
Goods out of the United States) provides:

(a) In General. - Whoever fraudulently or  
knowingly exports or sends from the United  
States, or attempts to export or send from the  
United States, any merchandise, article, or  
object contrary to any law or regulation of the  
United States, or receives, conceals, buys,  
sells, or in any manner facilitates the  
transportation, concealment, or sale of such  
merchandise, article or object, prior to  
exportation, knowing the same to be intended for  
exportation contrary to any law or regulation of  
the United States, shall be fined under this  
title, imprisoned not more than 10 years, or  
both.

Here the predicate "contrary to any law or regulation," as  
required by the statute, is a violation of the AECA or the  
ITAR.

**III.**

**STATEMENT OF PROBABLE CAUSE**

**A. Summary**

12. Since 2010, HSI has been investigating GHANEM for  
suspected involvement in the illegal smuggling of United States



ITAR-controlled weapons and other restricted defense articles from the United States to foreign destinations. GHANEM is a naturalized U.S. citizen who emigrated from Jordan to the United States. GHANEM's Jordanian passport indicates that GHANEM was born in Nablus, West Bank. In July 2014, an HSI human Source of Information ("SOI") introduced GHANEM to a Los Angeles, California-based HSI undercover agent ("UCA") who is posing as a black market arms smuggler.<sup>2</sup> GHANEM and the UCA have exchanged numerous e-mails, phone calls and messages, and have twice met in Europe to discuss smuggling ITAR-controlled items from the United States.

13. In August 2015, GHANEM placed an order with the UCA for ITAR-controlled .50 caliber sniper rifles, pistols, ammunition, and night vision goggles ("NVGs"), as well as related accessories. The order was valued at over \$220,000, which included the UCA's smuggling fees from the United States to Libya, the destination provided by GHANEM.

14. In late August 2015, GHANEM told the UCA that he wired \$90,000 to the UCA as a down payment for the order. On September 2, 2015, a bank wire deposit in the amount of \$89,971 was received in in an HSI-controlled undercover bank account

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<sup>2</sup> The SOI has no known criminal history. However, the SOI is a former business associate of GHANEM, and the SOI has advised me that he believes that GHANEM failed to uphold his end of a past business deal with the SOI.

located in the Central District of California, which the UCA had provided to GHANEM in order to receive payment for the military items. The sender of the wire payment was identified as GHANEM's trading and logistics firm in Jordan. GHANEM confirmed in a recorded phone call that he wired the money to the UCA. In order to conceal the true nature of the order, GHANEM has requested that the UCA invoice the military items as "juice," which GHANEM later requested be changed to "generators." This is consistent with statements made by GHANEM in a previous September 2014 meeting with the UCA, at which time GHANEM said that he always uses a "cover" contract with respect to shipping military goods.

15. In October 2015, an additional bank wire deposit in the amount of \$89,971 was received in the aforementioned HSI-controlled undercover bank account. The sender of the wire payment was again identified as GHANEM's trading and logistics firm in Jordan. As described below, this second payment prompted the export of GHANEM's shipment in early November 2015. As described below, HSI agents are using a "ruse" shipment that contains approximately 12,000 pounds of water, but that the UCA has conveyed to GHANEM contains GHANEM's aforementioned weapons order. GHANEM believes his shipment of military goods will arrive in Libya in December 2015, and has agreed with the UCA to inspect the shipment in Greece as it transits to its purported

ultimate destination.

**B. GHANEM'S Previous Efforts to Obtain USML Items**

16. I have learned from HSI agents in Norfolk, Virginia, that in 2010, they identified GHANEM as a person possibly involved in the illegal smuggling of ITAR-controlled weapons and other restricted military equipment from the United States to Jordan. I have read reports documenting that investigation and therefore know that, in June 2011, GHANEM and a Virginia-based HSI undercover agent ("VA UCA") engaged via e-mail regarding GHANEM's request for 40 G36 military-style assault rifles, which GHANEM claimed were for the Jordanian Armed Forces ("JAF"). GHANEM did not commit to an order with the VA UCA, according to the reports documenting HSI Norfolk's investigation.

17. However, according to reports I read that documented interviews with JAF officers, GHANEM's request for weapons from the VA UCA was not legitimate. Specifically, HSI agents assigned to Amman, Jordan ("HSI Amman") inquired with the JAF regarding GHANEM's order. The inquiry revealed that GHANEM's purported buyer was not, at that time, attempting to procure any weapons.

18. In August 2012, HSI Norfolk received a federal search warrant for one of GHANEM's e-mail accounts, ramithe@gmail.com

(GHANEM's "Gmail account").<sup>3</sup> The search warrant was issued by the Honorable Tommy E. Miller, United States Magistrate Judge for the Eastern District of Virginia, on August 22, 2012. I read the reports prepared by the HSI SA who reviewed e-mails pursuant to the warrant. The reports indicate that GHANEM was involved in several attempts to procure military weapons. For example, the reviewing SA observed the following e-mails involving GHANEM's Gmail account:

a. An incoming e-mail dated April 18, 2012, titled "Fwd: Letter," containing an attachment. The attachment, quoted in the investigative report, reads in pertinent part:

I would like to inform you that I will send the contract that Mr. Kolikov requested in our private meeting regarding your factories military products and that so you can study them and I can market your products and this through private relations with the decisions makers in the Arab and African countries with regards to purchasing weapons and military equipments.

b. An e-mail dated June 16, 2012, titled "specification for 9x19 caliber Parabellum Semiautomatic Pistol" from GHANEM to a Poland-based supplier of armaments and military equipment. In the e-mail, GHANEM stated, "Please be advice[sic] that we are looking for QTY 500 of the 9mm pistol & QTY 40 of the 40mm cartridge pistol, customer (Jordan Public Safety) will

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<sup>3</sup> On May 14, 2015, I obtained a second search warrant for ramithe@gmail.com, authorized by the Honorable Michael R. Wilner, United States Magistrate Judge for the Central District of California under case number 15-0904M.

issue EUC."

C. GHANEM'S Introduction to the UCA

19. My investigation of GHANEM began in May 2014, when I learned via a Los Angeles-area industry supplier of military goods that GHANEM had contacted the firm by e-mail seeking to establish a business relationship. Subsequently, I queried GHANEM's name through a U.S. Department of State database and learned that GHANEM is a United States citizen who, at the time of the query, had last applied for a U.S. passport in June 2010. According to the 2010 application, GHANEM's full name is Rami Najm GHANEM, and he was born in Amman, Jordan on June 13, 1966. GHANEM provided his e-mail address as rami@allghanem.com in the application. Some of GHANEM's e-mail communications with the UCA were made from this rami@allghanem.com account.

20. I contacted the SOI and asked, without context, if the SOI had ever heard of the name Rami GHANEM. The SOI stated that he/she did know GHANEM, elaborating that he/she had worked with GHANEM in Jordan procuring security equipment over ten years earlier. The SOI reported that since the time the SOI and GHANEM worked together, GHANEM had stolen money from several individuals in Jordan as well as bribed and blackmailed several high-level Jordanian military officials in order to obtain military procurement contracts. The SOI reported that as a result of the bribes and debts, GHANEM had been exiled from

Jordan. The SOI also reported that GHANEM worked with a JAF officer who provided GHANEM with weapons end-user certificates in order to obtain military weapons, but that GHANEM diverted the weapons shipments to a non-Jordanian customer in Cyprus.

21. On June 5, 2014, at my request, the SOI sent an e-mail to GHANEM seeking to re-establish contact with GHANEM. GHANEM responded on June 8, 2014, inviting the SOI to contact him in Egypt to discuss future business requirements.

22. On June 11, 2014, the SOI called GHANEM at the Egyptian phone number that GHANEM had provided. During the conversation, which was recorded and which I have listened to, the SOI told GHANEM that he/she operates an aerospace procurement firm in the United States and has access to civilian and military goods.

23. GHANEM responded by e-mail on June 18, 2014, with the following current military weapons requirements:

1. AK 47 as many as you have
  2. All type of Sniper rifle as many as you have
  3. Machine Gun (7.62x54, 12.7mm, 14.5mm, 23mm) all types and as many as you have.
  4. PKC as many as you have
  5. Mortar (60mm, 80mm & 120mm) mortar and missile as many as you have
  6. Anti-tank and anti-armored vehicles
  7. Armored vehicles
  8. Ammunitions for all type any QTY you have will buy
- As soon as I arrive to Iraq they will require heavy arms for us to be prepared.  
Thanks

24. In July 2014, the SOI introduced GHANEM by phone to

the UCA. The SOI and the UCA met in person on July 21, 2014, and called GHANEM. During the call, a recording of which I have reviewed, GHANEM said that he needed weapons and other military equipment. The UCA told GHANEM that he could help procure some of the items, including sniper rifles and NVGs. As is evident in the below transcript from the call, the UCA informed GHANEM that the transaction would be in violation of U.S. export regulations:

UCA: Okay. Alright, uhh, let me ask you a couple of questions.

GHANEM: Go ahead.

UCA: What about the funding? Do you have the money in place to wire the money over?

GHANEM: Yeah, they have the money [UI].<sup>4</sup>

UCA: Now I am going to dealing with you directly right? I'm not dealing with a government entity over there, am I?

GHANEM: No, no. You're gonna deal with our company.

UCA: Do you understand why I ask that?

GHANEM: I, I understand about the funds.

UCA: Yeah, because I, I don't apply for a license to send it, and I'm sure [SOI] has explained that to you or not, so if we're gonna do this it's going to be under the table. If they want to go directly to U.S. Government, I'm not your guy to talk to.

GHANEM: I understand my friend. [UCA], I am a U.S. citizen, too.

UCA: What's that?

GHANEM: Understand, I am a U.S. citizen, too.

UCA: Okay.

GHANEM: Okay, we are, we are all in the same boat.

UCA: I understand. So you know, ahhh, I'm going

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<sup>4</sup> Here and at other times, portions of recorded conversations captured in this investigation were unintelligible, which have been annotated with "UI."

to be just as much in trouble if we don't get a license.

25. On July 22, 2014, the UCA sent the SOI an e-mail reflecting pricing for several military items that GHANEM had said he needed during the July 21, 2014 phone call. The list included, among other military items, pricing for 200 units of U.S.-origin M-4 carbine assault rifles priced at \$234,000. The SOI forwarded this e-mail to GHANEM on July 22, 2014.

26. On August 10, 2014, GHANEM sent an e-mail to the UCA and SOI indicating that he needed sniper rifles and other weapons without the "proper documentations." Specifically, GHANEM's e-mail reads as follows, in pertinent part (underlined in original):

Brothers,

My contact at the higher administration for "Imam Hussein" peace be upon him possession of the holy city of Karbala, had requested from me all arms (new technology) (best of the best) such as:

Sniper rifles with all accessories even silencers

Rifles

Machine guns

Vests

Uniforms

Shoes

Anti-explosive equipment

Pistols with and without silencer

Latest ammunitions

All arms we can supply knowing that we don't have the proper documentations



27. On August 19, 2014, the UCA and the SOI called GHANEM to discuss GHANEM's requirements and to solidify plans to meet in person. During the phone call, which was recorded and I have listened to, the following topics were discussed:

a. The outstanding order requested by GHANEM for 200 M-4 assault rifles.

b. Meeting in person in anticipation of larger future orders.

c. GHANEM's very strong "market" with "Shi'a" groups in Iraq, Iran, and Lebanon, which GHANEM has experience with and who like GHANEM "very much."

d. The UCA told GHANEM, referring to the arms negotiation, that "this is sensitive," and reiterated that neither party would want to make a mistake and "regret it for the rest of our lives." GHANEM responded, "for sure," adding, "you are a U.S. citizen; I am too. So your concern is the same as my concern."

e. The UCA, referencing the weapons deal, said "it is my understanding that, of course, you don't want me to apply for an export license because we know we're not going to get it." GHANEM responded "yeah." The UCA added, "so we're doing everything under the table based on your wish." GHANEM responded, "yes." GHANEM then added that this is the reason why it is important to meet "face to face."

f. The UCA, the SOI, and GHANEM agreed to meet in Athens, Greece, in September 2014 to further discuss potential business.

**D. The First Meeting in Athens, Greece**

28. On September 18, 2014, the UCA and the SOI met with GHANEM in Athens, Greece. Based on my review of the recording of this meeting, I know that during the meeting the following information was exchanged, in pertinent part:

a. GHANEM said that he has requests for goods on behalf of Iranians whom he did not identify. GHANEM provided 11 documents to the UCA outlining requirements which he claimed were on behalf of Iran. The documents detailed part numbers that appear to be for Bell helicopters and F-5 and F-14 military fighter aircraft, according to my review of the documents and discussions with the UCA, who speaks and reads Farsi and helped me review the documents.

b. GHANEM said that he is very careful with whom he deals.

c. GHANEM said that his "black market" activities have been in the Eastern Bloc, and that he could get "anything" for the UCA from there.

d. The UCA said: "obviously, you know about export licenses and end user certificates and all the legal stuff we have to deal with in the U.S." GHANEM responded, "Yes." The

UCA added, "some people will come to me and say, umm, end-user certificate, we'll give it to you, or, you know, apply for an export license. That, that's not my thing. Go find somebody who will apply for that. That's not me." GHANEM responded "okay," and later said, "being an American, I have to watch myself." The UCA continued: ". . . Unless you have connections, if you go knock on a military supplier, alright, they'll ask you, 'okay, where's it going? Give me an end-user certificate.' You're gonna have to apply for an export license, and the State Department gets involved. Alright?" GHANEM responded, "yeah." The UCA informed GHANEM, referring to the Department of State export license process, "that's not what I do." The UCA later added, "as long as you're willing to do business with me based on what I told you, I'm good." GHANEM replied, "I don't have a problem; I only want to confirm with you."

f. GHANEM said that he was looking for a particular sniper rifle that could cover a distance of 4500-5000 meters. GHANEM said that his potential supplier at a U.S. company said that "ITAR" was required and that the supplier would not ship the items illegally. As described in more detail below, e-mails that I discovered in GHANEM's Gmail account, pursuant to a search warrant, indicate that GHANEM was in fact dealing with a U.S.-based company regarding the procurement of custom sniper rifles shortly before GHANEM met with the UCA in September 2014,

and that the company indicated the rifles required a valid U.S. Department of State export license prior to export.

g. The UCA, referring to the arms transaction, asked how GHANEM intended to pay for this "project." GHANEM replied that in the U.S., "cash" would not work for this project. Therefore, GHANEM would likely use a bank wire to pay. GHANEM said that whenever he uses the "standard" payment method by way of a bank, he uses a "cover" contract. GHANEM then clarified that the contract would "just change the items" detailed in the contract. As described below, GHANEM ultimately paid the UCA for ITAR-controlled weapons with a bank wire, and he requested that the UCA provide GHANEM with a false invoice for the weapons reflecting the sale of juice, which GHANEM later requested to be changed to reflect a fictitious sale of industrial generators.

29. Following the first Greece meeting, communication between GHANEM and the UCA tapered because of apparent suspicions by GHANEM. On January 11, 2015, the UCA received a phone call from GHANEM. The call was recorded and I have listened to the recording of the conversation. During the conversation, the following information was exchanged:

a. The UCA asked GHANEM if GHANEM had any concerns about doing business with the UCA. GHANEM replied that whenever GHANEM asked the SOI about the UCA and the SOI's experience with the UCA, the SOI always gave the "positive" side and that, in

the opinion of GHANEM, the SOI is too complimentary of the UCA.

b. GHANEM then clarified that GHANEM had reservations about working with any new individual in "this business," and then added that because the UCA is Iranian,<sup>5</sup> GHANEM is not sure who is watching what the UCA is doing.

c. GHANEM said that he wanted to get to know the UCA better before doing business with the UCA and that he would be willing to meet with the UCA again in person to get to know the UCA better.

d. The UCA invited GHANEM to again meet with the UCA so they could sit down in person and discuss the UCA's capabilities in detail. GHANEM accepted the UCA's invitation.

e. GHANEM reiterated it was important to know who he was dealing with, because "one mistake, and you lose what you built all your life."

30. On January 15, 2015, the UCA sent GHANEM an e-mail proposing dates for the next in-person meeting.

**E. The Second Meeting in Athens, Greece**

31. In March 2015, GHANEM again met with the UCA and the SOI in Athens, Greece to discuss potential business. I have listened to recordings of the meetings, wherein GHANEM and the UCA discussed the UCA's ability to supply military goods,

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<sup>5</sup> GHANEM believes that the UCA is an Iranian-American, based on information conveyed to GHANEM by the SOI.

including NVGs and other military optics. On March 11, 2015, the UCA sent the following message, which I have reviewed, to GHANEM regarding the March 10 meeting and an anticipated follow-up meeting:

Rami,

Per our discussion from yesterday, I can supply you with the following equipment on an ongoing basis, and with reasonable lead time:

PVS-14 Night Vision Goggles  
AN/AVS-9 Night Vision Goggles  
PVS-27 Night Vision Sniper Scope manufactured by FLIR  
DBAL-A Infrared Illuminator

We can talk numbers and volume over dinner tonight if you like.

Regards,  
[The UCA]

32. During a series of follow-up meetings on March 11, 2015, GHANEM met with the UCA and the SOI to discuss volume and other details regarding sales and export logistics of the above-referenced military optics. According to the UCA, during the meeting, the UCA showed GHANEM working models of the aforementioned PVS-14 and AN/AVS-9 NVGs. After inspecting the NVGs, GHANEM made two phone calls using speakerphone to clients who GHANEM reportedly believed would be interested in the NVGs. The conversations were in English. One potential buyer asked where GHANEM could deliver the NVGs, to which GHANEM replied that GHANEM could deliver the NVGs to the buyer's "bedroom."

33. The following day, March 12, 2015, GHANEM called the

UCA and informed him that GHANEM had received very good feedback on the military optics from potential buyers in Egypt, Ukraine, and Greece. I have listened to the recording of this call.

34. On March 17, 2015, following the meetings, the UCA sent four e-mails, each containing a datasheet and pricing for each of the above-referenced military optics, to GHANEM. I have reviewed those e-mails

**F. Search Warrant Executed on GHANEM's Gmail Account**

35. On May 14, 2015, the Honorable Michael R. Wilner, United States Magistrate Judge for the Central District of California, authorized a search and seizure warrant for ramithe@gmail.com.<sup>6</sup> According to registration information provided by Google, Inc., the user of ramithe@gmail.com provided the following registration information when establishing the e-mail account:

Name: Rami Ghanem  
E-mail: ramithe@gmail.com  
Status: Enabled  
Recovery e-Mail: ramithe@me.com  
Created on: 2009/12/13-23:15:46-UTC  
IP: 188.123.176.220, on 2009/12/13-23:15:46-UTC  
Language Code: en  
SMS: +37282432246  
Alternate e-Mail(s): rami@caravaname.com

36. Login history for the account indicates that ramithe@gmail.com was accessed from the following Internet Protocol ("IP") addresses on March 10 and 11, 2015, when GHANEM

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<sup>6</sup> The warrant was assigned case number 15-0904M.

met with the UCA in Greece:

194.219.47.145  
195.97.11.60

According to open-source IP address tracing tools, these IP addresses are allocated to computer or cellular networks based in Athens, Greece.

37. In addition to his discussions with the UCA, content from GHANEM's Gmail account shows that GHANEM is aware of U.S. export requirements, the ITAR in particular, as well as ITAR brokering registration requirements. For example, I observed the following e-mails in GHANEM's Gmail account as a result of the May 2015 search warrant:

a. On April 10, 2012, GHANEM received an e-mail from an employee of an identify U.S. company titled, "FW: Rep agreement for Jordan and Lebanon." The e-mail reads: "Here is the connection to the Department of State for the broker agreement. Please see below." The employee's e-mail included a forwarded e-mail that offered a hyperlink to the DDTC website: "DOS website address is: <http://www.pmddtc.state.gov>."

b. On May 31, 2013, GHANEM received an e-mail from the above employee that contained the following points, in pertinent part:

If [an identified U.S. company] is to deal with you-- you have to be on the export license and you need to pass the due diligence. Please this is important. There is also an issue of registering as a broker



with the Department of State--have you ever done this?

GHANEM responded to the e-mail on the same day, May 31, 2013, addressing the issue of being on the export license: "No problem I will fix the any unclear matter soon." GHANEM also acknowledged the U.S. Department of State brokering registration requirement: "Please you promise to send me the required applications for me to start my registration, please if you can send it, it will help me or send me the shortcut to the website & I will work on that."

c. On July 31, 2014 — shortly before GHANEM met with the UCA in Greece — GHANEM received an e-mail from a U.S.-based manufacturer of sniper rifles titled "RE: longer than 5000 Meters sniper rifles." In the e-mail, the author informed GHANEM: "Shipment to both of these countries requires an approved US state department export license and end user certificates. All items will have to go directly to government end users." Based on my review of GHANEM's sent e-mails, I know that on August 6, 2014, GHANEM forwarded the above e-mail to an unidentified associate.

**G. GHANEM's Order with the UCA**

38. On March 31, 2015, GHANEM sent the UCA an e-mail entitled "Urgent requirement." In the e-mail, which I have reviewed, GHANEM posed the following request:

[The UCA] if I want the following:

AN-PVS-14 QTY 25  
AN-AVS 9 QTY 25  
PVS-27 Night Vision Scope QTY 2  
AN-PEQ-15 Aiming Laser QTY 10

Please let me know the fastest time for delivery.

Regards,  
Rami Ghanem

39. After the UCA advised GHANEM via e-mail of a timeline to procure and ship the requested military optics, GHANEM replied on April 1, 2015: "Ok send me the and [sic] invoice for me to discuss it with my customer."

40. The UCA replied to GHANEM on April 1, 2015:

Great, will do...When we met last time, you mentioned you want to use a different description for each item on the invoices so only you and I understand what's being bought/sold. Do you want to give me a "code word" for each item to describe on the invoice or should I describe them as they are?

41. The UCA called GHANEM on April 8, 2015. The UCA recorded the call, and I have listened to the recording. During the call, GHANEM reported to the UCA that GHANEM became ill and needed time to recover.

42. On May 12, 2015, GHANEM sent an e-mail to the UCA including a file titled "IMG-20150408-WA0020.jpg." The file, which I have reviewed, appears to be a screenshot of a document titled "Subject: URGENT REQUIREMENT OF AMMO." The file lists several types of ammunition, missiles, rockets, and other

munitions, including "Hell Fire Missile,"<sup>7</sup> "2.75 rocket," "Tow Missile (A and B),"<sup>8</sup> and "hand grenades." The UCA called GHANEM on the same day, May 12, 2015. I have listened to a recording of this call. The UCA asked GHANEM how he wanted to move forward with the NVG transaction. The UCA and GHANEM confirmed the UCA's pricing for the PVS-9 and PVS-27 NVG systems. GHANEM referred to the above list, noting, "the list I gave you, which has that Hellfire, the whole list is very serious." GHANEM added that he was "already supplying the buyer."

43. On July 24, 2015, GHANEM sent the UCA the following message via a secure messaging application ("app"):<sup>9</sup>

12.7 x 99mm.. look for Barret M82 A 1 Barret firearms  
manufacturing  
Ronnie Barret  
.50 cal BMG browning Carabine STEYR HS  
.50 cal BMG 12.7 (IS THE SAME CALL.) as .50 call.  
M107

44. Based on my training and experience, I believe that GHANEM was requesting Barret M82A1 and Steyr HS .50 caliber sniper rifles. The Barret M82A1 is manufactured in the United States, while the Steyr is manufactured in Austria and distributed in the United States.

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<sup>7</sup> From my training and experience, I have learned that the Hellfire missile is an air-to-surface missile developed by Lockheed Martin.

<sup>8</sup> From my training and experience, I have learned that a TOW missile is a Tube-launched, Optically tracked, Wire-guided anti-tank missile originally developed by Hughes Aircraft Company.

<sup>9</sup> On May 12, 2015, GHANEM requested that the UCA use a Netherlands-based secure messaging application.

45. On July 27, 2015, GHANEM sent the UCA another message via the aforementioned app, asking to expand his order: "Also can you provide me with 100 pistols with silencer any good US even Gluck." Based on the context, I believe that GHANEM was requesting U.S.-origin pistols, with accompanying silencers, from the UCA.

46. On August 4, 2015, the UCA sent an e-mail to GHANEM titled "Requirement (July 27, 2015)." The UCA wrote, in pertinent part:

Rami,

Here is a breakdown for your most recent inquiry:

Kahr Arms CW9 9mm: \$ 650.00 EA  
Threaded Barrel for Kahr CW9: \$210.00 EA  
AAC Evolution Suppressor 9mm: \$780.00 EA

If you are interested and like the numbers I have quoted, let's try and get together in [Asia] soon to discuss/finalize this transaction in person (work out shipping and financing) as well as move the "HF" and the "T" requirements forward...

47. Based on the context and my conversations with the UCA, I believe that the "'HF' and the 'T' requirements" are a reference to GHANEM's request for Hellfire and TOW missiles, as discussed above.

48. The following day, on August 5, 2015, the UCA called GHANEM. The call was recorded, and I have listened to, as well as reviewed a transcript of, the recording. Below are excerpts of the conversation, in pertinent part:

UCA: Did you get the e-mail I sent you about the pistols?  
GHANEM: Yes  
UCA: What do you think?  
GHANEM: It's ok, as long as we get it with a complete system, no problem.

The conversation continued:

UCA: So you let me know how things go with this one.  
GHANEM: I need it.  
UCA: All right. Let's make it happen.  
. . .  
GHANEM: How many you can get me?  
UCA: About 150 now.  
GHANEM: How fast?  
UCA: Where do you want it to go?  
GHANEM: Same destination.  
UCA: Okay. Well I guess we can talk about destination in person, but I can, I can get it ready to go as soon as I get a down payment, man, and start paying these guys off.<sup>10</sup>  
GHANEM: Tell me the procedure and timing, and we move.  
UCA: Ok. So procedure, let me get about maybe 40 percent to put a good chunk of change down for; how many do you need, 100 or 150?  
GHANEM: Let's go for 100.  
UCA: Let's, let's do 100.

Later in the same conversation, GHANEM re-broached his requirement for sniper rifles:

GHANEM: Okay. I'll leave it to you, just tell, tell me how much, but I need, I need at least 10 or 20 of the snipers.  
UCA: The rifles?  
GHANEM: Rifles, sniper. Yes.  
UCA: Yeah, that's, that's not going to be a problem, Rami, I mean, my hooks in [a state in the southwest United States] will get that in five, ten days. That's not a big deal.  
GHANEM: The same, the same, calculate at least 10 of them for now.  
UCA: Okay.  
GHANEM: Okay.

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<sup>10</sup> Based on my conversations with the UCA, I know that the UCA was referring to making a down payment with the manufacturer of the items.

UCA: You want .50 cal or .308?  
GHANEM: I need the one that's 12.7, which is .50 I think.  
UCA: Okay, okay.  
GHANEM: Actually it's 12.7; the 50 I think it's 12.7.  
UCA: Yeah. I'll double check but I think it is.  
GHANEM: If you have, if you have laser for it, it will be great.  
UCA: Do you, do you want infrared, or do you want red laser?  
GHANEM: I need the laser to be installed on the gun, on the pistols. The other side cannot see it.

GHANEM expressed his urgency for the order during the conversation:

GHANEM: I need these items ASAP.  
UCA: Okay. Let me work up the numbers, and I'll add the .50 calcs to your list. And uh, you want me to send you an invoice, or just a simple e-mail until we see each other in person?  
GHANEM: As you like, it doesn't matter.  
UCA: Okay. Alright.  
GHANEM: But if, if you give me breakdown, how much like the complete list, and how much is it.  
UCA: Okay  
GHANEM: So I will know how much to bill these people individual items.  
UCA: Okay.  
GHANEM: And please make sure I get at least 10 more or 15 snipers.  
UCA: 10 more .50 cal snipers?  
GHANEM: Yes.  
UCA: Okay. Yeah. That's not a problem.  
GHANEM: 10 or 15 if you can put your hands on them.

During the same phone conversation, GHANEM also noted that he required ammunition for the requested pistols:

GHANEM: I need uhhh...Do you have 9 millimeter ammunition?  
UCA: 9 millimeter?  
GHANEM: Yeah  
UCA: Yeah  
GHANEM: For the pistols.  
UCA: Of course, I'll take care of that.  
GHANEM: Okay  
UCA: How many do you need? 100,000?  
GHANEM: Whatever you can give me.

UCA: I can probably do 50,000 now.

GHANEM: Okay, that's good.

...

GHANEM: These items I need it, I need it right away, so if we can move on it, please.

UCA: I'm gonna work on it right now, as soon as I get off the phone with you.

GHANEM: Okay

UCA: Okay? Expect to get an e-mail from me today.

49. On August 5, 2015, following the above call between the UCA and GHANEM, the UCA sent GHANEM an e-mail titled "Pricing for goods we spoke about earlier today." The message read (bold in original):

Rami,

Here is your breakdown per our earlier conversation from this morning:

1. Kahr Arms CW9 9mm Pistol: \$650.00 EA x 100 = \$65,000.00
2. Kahr Arms Threaded Barrel for CW9: \$210.00 EA x 100 = \$21,000.00
3. AAC Evolution Suppressor: \$780.00 EA x 100 = \$78,000.00
4. 9mm Ammunition (50,00.00 pieces): \$18,000.00

Grand total for this order is \$182,000.00. I would need \$72,800.00 down payment prior to placing order with my supplier, another 40% (\$72,800.00) when the shipment is ready to leave the states and the remaining balance of \$36,400.00 when you get the goods on your end.

With respect to .50 CAL Rifle, I can keep it under \$4600.00 EA if we go with Barrett M99. If we go with this one, I can get you fifteen (15) pieces along with the pistols. If you want more expensive Barrett Rifles, then we're looking at getting close to 10K or more for each rifle. Either way it's your choice.

1. Barrett M99 .50 CAL Rifle: \$4600.00 x 15 = \$69,000.00

Same financing terms apply to this transaction as well. 40% (\$27,600.00) prior to order, another 40% (\$27,600.00) when they're ready to ship and remaining balance of \$13,800.00 when you collect them on your end.

If you want ammunition for the rifles and long range target acquisition is your intention, I would go with American Eagle 660. 10,000.00 rounds will cost you \$32,000.00.

40% (\$12,800.00) + 40% (\$12,800.00) + 20% (\$6400.00) applies to this as well.

If you decide to go with everything, I would need an initial down payment of \$113,200.00 to start this order.

Let me know what you think.

50. On August 6, 2015, GHANEM called the UCA to discuss the potential order of weapons. The call was recorded and I have listened to it. During the call, GHANEM requested "more advanced" sniper rifles, ultimately requesting five each of "basic," "medium" and "high-end" sniper rifles. GHANEM and the UCA discussed smuggling routes and methods, including GHANEM's requested destination of Libya:

GHANEM: How fast you can deliver it? Let's see.

UCA: Well, I don't want to take a chance and load this on an aircraft, so it's going to have to be by sea. It's going to take at least four to five weeks.

GHANEM: Okay.

UCA: Okay?

GHANEM: Okay.

UCA: And it's going to be in a container and it's going to be mixed with household goods. Everything is gonna be safe on my end. Believe me.

GHANEM: Okay. If you can, if you can, if you can put juice with it, it's fine.

UCA: Juice? Put on, on the, on what, on the export



documents?

GHANEM: On the container.

UCA: Yeah, yeah, of course. What else do you want me to describe it as, so it's easier for you to clear it on your end?

GHANEM: Juice, juice, it's fine.

UCA: Juice?

GHANEM: Don't worry. As long as it arrives, as long as it arrives then we will take care of it.

UCA: Okay, just tell me where to bring it to and I will bring it and I will classify it as juice. Don't worry.

GHANEM: In Misrata, it's fine, it's not a thing. There's a big port there.

UCA: Where?

GHANEM: Misrata, in Tripoli, err, in Libya.

UCA: In Libya. Okay. Alright, because my calculations were to Greece, so from Greece to Libya it's, it's gonna probably add another week, if not ten days. Are you okay with that?

GHANEM: No problem, no, yeah, yeah, yeah, I'm fine. Just, what I need from you, I need from you an invoice, and declare as juice, for the 40 percent so I can uh, transfer it to you right away.

UCA: So let me re-work the numbers.

As noted below, GHANEM ultimately paid for the weapons from a bank account in Jordan. GHANEM forecast this payment method during the recorded conversation on August 6:

GHANEM: The money, the money, the money will come to you from Jordan.

UCA: From Jordan? Okay. You can, you can deposit it into my U.S. account, right?

GHANEM: I can transfer it there in no time. Just make, make an invoice for uhh, whatever you need to get it, and uhh, send it.

UCA: Okay.

GHANEM: So, it's preferred, uh, preferred to be juice, it's fine.

UCA: Okay. Okay, so, let me...

GHANEM: (Interrupting) Each item, each item, each item, you want to.... uh, now you want to ship with, and make it juice item on invoice.

UCA: Okay. So I'm going to send you an e-mail for the actual stuff that you're buying. Okay? And then I'm going to transfer the quantity on an invoice, and

I'll describe it as juice coming from Port of Long Beach, right, to Libya. Send me the, the name of, uh the consignee, whoever is going to be receiving it, and the port you want it to go.

51. On August 7, 2015, GHANEM sent the UCA an e-mail identifying GHANEM's consignee in Libya:

All Shipments to be addressed to the following Company:

Kayan International  
Misurata - Libya  
Phone : 218 51 5222039  
Mobile +218911203989

52. On the same day, GHANEM also sent the UCA an e-mail containing an image of Kayan International letterhead, which had the content of the document redacted except for the company's name, telephone number, fax number, location in Misurata, Libya, and the website "www.kayangroup.com."

53. On August 9, 2015, the UCA sent GHANEM the following e-mail, coding the military items as "juice," per GHANEM's request:

Here is your revised breakdown:

1. Kahr Arms full size TP9 9mm Pistol with extended magazine: \$900.00 EA x 50 = \$45,000.00 (apple juice)
2. Kahr Arms compact CW9 9mm Pistol: \$650.00 EA x 100 = \$32,500.00 (apple juice)
3. Kahr Arms Threaded Barrel for TP9 & CW9: \$210.00 EA x 100 = \$21,000.00 (apple juice)
4. AAC Evolution Suppressor: \$780.00 EA x 100 = \$78,000.00 (apple juice)
5. User Sight designed for Kahr Arms Handguns: \$265.00 EA x 100 = \$26,500.00 (apple juice)
6. 9mm Ammunition(50,00.00 pieces): \$18,000.00 (apple juice)
7. Barrett M99 .50 CAL Rifle: \$4600.00 EA x 5 = \$23,000.00 (basic) (orange juice)
8. Barrett M95 .50 CAL Rifle: \$7100.00 EA x 5 =

\$35,500.00 (medium) (orange juice)  
9. Barrett 82A1 .50 CAL Rifle: \$9600.00 EA x 5 =  
\$48,000.00 (high-end) (orange juice)  
10..50 CAL Ammunition (American Eagle 660): 10,000  
rounds = \$32,000.00 (orange juice)  
11.PVS-27 Night Vision Scope for.50 CAL: \$10,500.00  
EA x 3 = \$31,500.00 (pineapple juice)  
12.PVS-14 Night Vision Goggles: \$3400.00 EA x 5 -  
\$17,000.00 (pineapple juice)

Grand total for this order is \$408,000.00. I would  
need 40% down payment (\$163,200.00) prior to placing  
the order with my supplier. Another 40%  
(\$163,200.00) when the shipment is ready to leave  
the States and the remaining balance of \$81,600.00  
when you get the goods on your end.

54. On August 26, 2015, GHANEM sent the UCA an e-mail.  
The e-mail, which I have reviewed, included a screenshot of the  
UCA's message, above, with reductions to the requested quantity  
of each of the items. GHANEM highlighted the reduced quantities  
of the items in red font.

55. On August 26, 2015, the UCA sent GHANEM a secure  
message via the aforementioned app, which included GHANEM's  
smaller, updated order:

Your updated order comes out to \$220,050.00. I need  
the initial down payment of 40% (\$88,020.00) to place  
the order. You're ready to transfer the funds? I can  
send you wire information today. Do you want the  
invoice showing juice going to Libya to show the  
actual amount? If not, how much do you want me to  
price it as?

56. On August 26, 2015, GHANEM responded to the UCA via  
the app, asking, "Please call me to discus[s] the invoice.  
Thanks." The UCA called GHANEM, per his request, on August 26,

2015. I have listened to a recording of this conversation. During the call, GHANEM noted that he was going to pay for this order with his own money because GHANEM was not able to reach his potential customer. GHANEM also requested that the weapons be invoiced as "generators" vice juice, due to an issue with GHANEM's bank. A transcript of the call is below, in pertinent part:

GHANEM: The reason I put this, I don't want to uh, I could not reach my guy, he's out of the country, and I don't want to delay anything, I'm back to my normal life, so I want to take this on my own, and, and do it.

UCA: Okay

GHANEM: And [static] after deliver this, it will be much bigger order will come.

UCA: No problem. Okay.

GHANEM: But, because of the bank, we are not dealing with juice. What can you put, like equipment, anything?

UCA: Okay, so what do you want me to put down? Do you want me to, uh, you tell me.

GHANEM: Put generators, put anything like this for the total.

UCA: Okay, hang on a second. So I'll just put like, industrial equipment. How's that?

GHANEM: Yeah, but, uh, eh, they, they don't take, see listen, our bank is very sensitive, and, uh total bank is sensitive, they don't take only one word, you need to put, if you put anything you need specification maybe.

UCA: Okay. I see what you're saying. Okay. I can put like different model generators, you know, like two, three different kinds. Umm, how's that?

GHANEM: Yeah, yeah, no problem. But at least, whatever you put, you put specification, the quantity and the total.

UCA: Okay, and the total, do you want it to...

GHANEM: (Interrupting) When you send, when you send, when you send the invoice, you send, ahh, the, the total.

UCA: Uh huh.

GHANEM: Ahhh, uhhh, just send it to me, and I will, I will arrange with them how to take care of it.

UCA: Okay, now, do you want the invoice to show the exact amount you are paying for this transaction? Two hundred and twenty thousand dollars and...

GHANEM: (Interrupting) Yes, yes

UCA: Yeah, okay?

GHANEM: Yes, yes. Coming from my account.

UCA: Okay. Alright, so I'll put the exact number.

GHANEM: Okay.

UCA: Okay. Do you want me to send you...

GHANEM: (Interrupting) And I will, I will, you don't need, you don't need to put forty percent, thirty percent. I will have transferred what I owe.

UCA: No, yeah, uhh, you know what I'm gonna do? I'll just send you the invoice showing different types of industrial equipment for a total amount of two hundred and twenty thousand dollars and fifty; two hundred and twenty thousand fifty. Okay, and then you do on your end whatever, whatever you need to do.

GHANEM: Okay.

UCA: Okay? Do you want me to send you my bank info....?

GHANEM: (Interrupting) Let me...

UCA: Go ahead

GHANEM: No, no, just it's, now just it's, it's all in your hands.

UCA: Okay, I'll send you...

GHANEM: (Interrupting) I don't want to go, we are not, we are not dealing with, we are not dealing with each other as uhhh, uhhhh, Bushmaster and ahhh our Jordan Armed Forces.

UCA: No

57. Based on my training and experience, I believe that GHANEM's mention of "Bushmaster" is a reference to Bushmaster Firearms International, a United States-based weapons manufacturer, and the Jordanian Armed Forces, which uses U.S.-manufactured weapons. More specifically, I believe that GHANEM is highlighting that the transaction between the UCA and GHANEM

is not an authorized foreign weapons procurement transaction, in which the U.S. Government would issue the appropriate export licenses to assist in arming an allied foreign military with U.S.-origin weapons.

58. On August 26, 2015, the UCA sent GHANEM the following e-mail message:

Here you go brother, please conform[sic] the consignee address and let me know if you need me to make any changes. I will send you another email containing product data sheets for the Generators listed on the invoice for your reference.

59. Attached to the UCA's e-mail was an invoice, which I have reviewed, titled "Invoice 08-26-15.pdf," detailing the sale of three types of identified U.S.-origin industrial generators, in quantities of 30, 20, and 35, for a total price of \$220,050.00. The invoice lists "Kayan International" in Libya as the buyer of the generators and includes the UCA's undercover bank account name, number, and routing information, which is based in the Central District of California.

60. On September 2, 2015, GHANEM sent to the UCA with the following e-mail message:

Hello [the UCA],

Our bank had confirmed receiving the money to your bank, please confirm.

Regards,

Rami Ghanem

61. On September 2, 2015, GHANEM called the UCA. The call was recorded, and I have listened to the recording. GHANEM again confirmed that he wired the down payment for the weapons to the UCA:

UCA: I was actually getting ready to send you an e-mail. Umm, checked with the bank. The wire is processing right now. It's for eighty-nine thousand nine hundred and I think seventy one dollars, so, thank you for that.

GHANEM: We sent ninety, uh, ninety thousand. They deducted this small stuff, I don't know why.

UCA: Yeah, they usually deduct that wire transfer fee.

62. On September 3, 2015, I learned from an HSI undercover account manager that the undercover bank account that the UCA provided to GHANEM for payment of his military goods order received a bank wire deposit in the amount of \$89,971.00, which posted on September 2, 2015. According to the bank wire record, which I have reviewed, the sender of the wire was: "GATEWAY TO MENA FOR LOGIS." Based on my review of GHANEM's Gmail account, I know that GATEWAY TO MENA FOR LOGISTIC SERVICES is a Jordan-based branch of GHANEM's trading and shipping enterprise. I believe that the full name of GHANEM's company was truncated in the bank wire due to character limitations, which I have previously observed in my investigations.

63. On October 19, 2015, the UCA spoke with GHANEM by phone. During the call, a recording of which I have listened to, GHANEM inquired about the status of his weapons shipment. The UCA informed GHANEM that the weapons shipment was nearly

ready and would be ready for export after receiving the next installment of the invoice balance, which, as previously discussed with GHANEM, would be the next 40 percent of the total invoice. The UCA informed GHANEM that the shipment would be routed through Greece on its way to Libya, and invited GHANEM to inspect the shipment. GHANEM told the UCA that he would come to Greece to inspect the weapons shipment.

64. During the October 19, 2015, call with the UCA, GHANEM called his business associate, whom GHANEM stated is the Libya-based recipient of the weapons shipment.<sup>11</sup> GHANEM spoke to the associate in Arabic. I have consulted with an HSI SA who is a native fluent speaker of Arabic and who has listened to the Arabic portion of the aforementioned phone call between GHANEM and the associate. According to the Arabic-speaking HSI agent, GHANEM and his associate discussed the anticipated timeline of the shipment.

65. On October 22, 2015, I learned from an HSI undercover account manager that the undercover bank account that the UCA provided to GHANEM for payment of his military goods order received a second bank wire deposit in the amount of \$89,971.00, which posted on October 22, 2015. According to the bank wire

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<sup>11</sup> Based on my review of the recording, I believe that GHANEM used a second phone to call his Libya-based associate while on the phone with the UCA, and put the second phone on speaker mode to allow the UCA to hear the associate.



record, which I have reviewed, the sender of the wire again appeared to be GHANEM's Jordan-based company: "GATEWAY TO MENA FOR LOGISTICS S."

66. After receiving the second payment from GHANEM, HSI agents, including me, began to assemble an undercover ruse shipment for export to GHANEM.<sup>12</sup> The ruse shipment was exported from the Port of Long Beach on November 2, 2015. On November 9, 2015, the UCA sent GHANEM an e-mail conveying that GHANEM's shipment had been exported to Greece. The UCA provided tracking information in the e-mail so that GHANEM and his customer could track the shipment via the designated shipping company's website.

#### H. License Determinations

67. Based on my training and experience, I know that .50 caliber rifles and 9mm pistols, including the models ordered by GHANEM, are covered under Category I(a) of the USML and are thus subject to the ITAR. I also know, based on my training and experience, that .50 caliber and 9mm ammunition is covered by Category III(a) of the USML. On September 29, 2015, I reviewed license determinations issued by the DDTC to HSI confirming the above USML categories. The DDTC also informed my office in September 2015 that the PVS-14 military night vision goggles

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<sup>12</sup> HSI has exported a 40-foot container, which does not contain any weapons or defense articles, but rather, has been filled with approximately 12,000 pounds of bottled water.

ordered by GHANEM are also on the USML under Category XII(c), and are therefore ITAR-restricted. The DDTC has also informed HSI that the silencers and barrels ordered by GHANEM are also on the USML, under Categories I(e) and I(g), respectively.

68. The above defense articles and accessories, which were ordered by GHANEM and that GHANEM requested to be falsely invoiced as "generators," require a valid export license from the U.S. Department of State prior to export from the United States. The U.S. Department of State has informed me that it does not appear that GHANEM has ever received an export license from that agency. Based on information that I received from HSI Norfolk, I know that a company that GHANEM was previously associated with in Jordan is listed as the consignee on a Department of State export license issued in 2007. Specifically, a Department of State export license, known as the DSP-5, indicates that a U.S. company applied for, and was granted, a license from the DDTC to allow for the export of "communication headsets" to be used as a "a sample for a governmental tender in Jordan." The foreign end user is identified as the "Jordan Armed Forces." One of GHANEM's former companies, "CARAVANA MIDDLE EAST CME," is listed as the foreign consignee of the export. GHANEM is not referenced by name in the license. That license expired on June 15, 2011. On or about November 23, 2015, I learned that in December 2014,

"Gateway to MENA" was listed as a foreign end user on a DDTC license related to a "site survey." The license does not authorize the sale of any military weapons or defense articles ordered by GHANEM from the UCA.

69. Based on the above information, there is probable cause to believe that GHANEM has attempted to cause the export of the defense items and accessories without the appropriate licenses, in violation of the AECA and the ITAR, and the outbound smuggling statute; and that GHANEM has transferred money to the United States from outside the United States with the intent to promote those export violations, in violation of the money laundering statute.

#### IV.

##### SEALING REQUEST

70. The criminal investigation into the activities of GHANEM and his co-conspirators is continuing. Disclosure of the contents of this affidavit would seriously impede the investigation by revealing details of the government's investigations and evidence gathered in connection therewith. It would alert GHANEM as well as any of his co-conspirators to the fact that the government has obtained their e-mails, which would cause them to stop using those e-mail accounts. It would also likely cause them to flee and/or destroy any evidence of these transactions, or potentially manufacture evidence that

concealed the true nature of their conduct. Further, GHANEM and any co-conspirators would be able to learn the extent of the government's investigations as set forth herein. Accordingly, I request that the Court issue an order sealing this affidavit, the complaint, and arrest warrant until further order of this Court.

V.

CONCLUSION

71. Based on the foregoing, I respectfully submit that there is probable cause to believe that GHANEM has committed violations of Title 22, United States Code, Section 2778 (AECA); Title 22 Code of Federal Regulations, Parts 120-130 (ITAR); Title 18, United States Code, Section 554 (Smuggling Goods out of the United States); and Title 18 U.S.C. § 1956(a)(2)(A) (Money Laundering); and I respectfully request that the Court issue the requested criminal complaint and arrest warrant.

15/  
Matthew L. Peterson  
Special Agent  
Homeland Security Investigations

Sworn and subscribed to before me on this 25<sup>th</sup> day of November, 2015.

[Signature]  
HONORABLE  
UNITED STATES MAGISTRATE JUDGE